



March 12, 2025

Legal Authority for a Capital Improvements Plan (CIP)

Dear Reader:

The following document was created from the CTAS website (ctas.tennessee.edu). This website is maintained by CTAS staff and seeks to represent the most current information regarding issues relative to Tennessee county government.

We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with county government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other CTAS website material.

Sincerely,

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Reference Number: CTAS-1701

Under general law each operating department is required to prepare and submit an annual operating budget to the county mayor on or before April 1 of each year or on another date specified by the county legislative body (T.C.A § 5-9-402). There is no statutory requirement for a capital improvements budget. However under the County Powers Relief Act of 2006 public chapter 953 (T.C.A § 67-4-2901) a county could be required to adopt a Capital Improvement Plan. This law is activated if a county desires to levy a tax on the privilege of residential development known as a county schools facilities tax (T.C.A § 67-4-2904). In summary, the law states a county is required to adopt a capital improvement program before passing the school facilities tax. Further the Tennessee General Assembly has recognized the needs for county governments to understand and begin documenting their infrastructure needs and has put into law public acts 1996 public chapter 817 codified as T.C.A. § 4-10-109—Inventory of Public Infrastructure Needs.

Recommended Practice: Complete and annually review the TACIR's Public Infrastructure Needs Inventory Form.

Source URL: <https://www.ctas.tennessee.edu/eli/legal-authority-capital-improvements-plan-cip>